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U.S. DEPT. OF TRANSPORTATION

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No 35018

STATE OF MAINE--ACQUISITION EXEMPTION--LINE
OF ST. LAWRENCE & ATLANTIC RAILROAD COMPANY
BETWEEN DEERING, MAINE AND YARMOUTH JUNCTION, MAINE

VERIFIED NOTICE OF EXEMPTION

James E. Howard
One Thompson Square
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Charlestown, MA 02129
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FILING FEE WAIVED

Attorney for Maine Department
of Transportation

Dated: April 27, 2007

FILED

MAY 7 - 2007

**SURFACE
TRANSPORTATION BOARD**

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OF ST. LAWRENCE & ATLANTIC RAILROAD COMPANY
BETWEEN DEERING, MAINE AND YARMOUTH JUNCTION, MAINE

VERIFIED NOTICE OF EXEMPTION

The State of Maine, acting by and through its Department of Transportation ("Maine DOT"), submits this Verified Notice of Exemption (the "Notice") pursuant to 49 C.F.R. 1150.31, et seq. to acquire the right-of-way; track and other physical assets of a railroad line of St. Lawrence & Atlantic Railroad Company ("SLR") between approximately milepost 1.74 at Deering, Maine and approximately milepost 12.163 south of the diamond crossing at Yarmouth Junction, Maine, a distance of approximately 11 miles (the "Line"). As described in more detail below, Maine DOT is purchasing the Line from SLR in accordance with a Purchase and Sale Agreement dated December 29, 2006, as amended (the "P & S Agreement"), and SLR will, at closing, deliver a deed pursuant to which it reserves an exclusive and perpetual easement for freight rail operations on the Line. Maine DOT is acquiring the Line in order to preserve its ability

to provide passenger rail service, and Maine DOT will not acquire any rights or obligations to conduct any freight rail operations on the Line.

Concurrently with the filing of this Notice, Maine DOT is also filing a motion to dismiss the Notice in accordance with the reasoning of State of Maine, Department of Transportation--Acquisition and Operation Exemption--Maine Central Railroad Company, 8 I.C.C.2d 835 (1991). Specifically, the transaction is not subject to the jurisdiction of the Board, because SLR will retain all, and Maine DOT will not acquire any, rights and obligations to provide freight rail service on the Line.

The following information is provided in accordance with 49 C.F.R. 1150.33.

49 C.F.R. 1150.33(a):

The full name and address of the applicant is as follows:

State of Maine
Department of Transportation
16 State House Station
Augusta, ME 04333-0016

49 C.F.R. 1150.33(b):

The name, address and telephone number of the representative of the applicant who should receive correspondence is as follows:

James E. Howard
One Thompson Square
Suite 201
Charlestown, MA 02129
617-886-9322

49 C.F.R. 1150.33(c):

Maine DOT and SLR entered into the P & S Agreement as of December 29, 2006, and the parties amended the P & S Agreement as of March 15, 2007. As of the date of closing of the transaction, they will also enter into an operating agreement governing

operations on the Line following the closing, which is scheduled to occur on or before June 30, 2007 if all conditions precedent have been satisfied.

49 C.F.R. 1150.33(d):

In accordance with the retained freight easement, SLR will continue to operate the Line and provide common carrier, freight rail service after the closing. Maine DOT will not operate any freight rail service on the Line at any time.

49 C.F.R. 1150.33(c):

Pursuant to the P & S Agreement, Maine DOT will acquire SLR's right, title and interest in the Line, and SLR will retain a permanent and exclusive easement to provide freight rail service on the Line. The parties will enter into an operating agreement which will govern certain aspects of the rail operations on the Line, including the eventual initiation of passenger service by Maine DOT or its designee. Maine DOT will have no right or ability, and has no intention, to provide any freight rail service on the Line.

(1) SLR, which is located at 415 Rodman Road, Auburn, ME 04210, is the railroad that will be transferring the Line.

(2) The parties propose to close the transaction on or before June 30, 2007. Maine DOT does not intend to close, however, unless and until the accompanying motion to dismiss this Notice has been granted, thereby confirming that the Board lacks jurisdiction over the transaction described in this Notice.

(3) The Line extends between approximately milepost 1.74 at Deering, Maine and approximately milepost 12.163 south of the diamond crossing at Yarmouth Junction, Maine.

(4) The total route miles being acquired are approximately 11.

49 C.F.R. 1150.33(f):

A map that indicates the area to be served, including origins, termini, stations, cities, counties and states, is attached as Exhibit A.

49 C.F.R. 1150.33(g):

Attached as Exhibit B is a certificate stating that Maine DOT will have no revenues from this transaction and that, as a result, the projected revenues will not exceed those that would qualify Maine DOT as a Class III carrier. Furthermore, because the revenues from the transaction will not exceed \$5,000,000 annually, the notice requirement of 49 C.F.R. 1150.32(e) does not apply.

Environmental and Historic Preservation Information:

The acquisition of the Line by Maine DOT is exempt from environmental reporting requirements, because the transaction will not result in changes in carrier operations that would exceed the thresholds established in 49 C.F.R. 1105.7(c)(4) or (5). Pursuant to 49 C.F.R. 1150.8(b)(1), the transaction is also exempt from historic preservation reporting requirements, because the acquisition will not interrupt or disturb common carrier obligations on the Line. Further authority of the Board is required to discontinue or abandon any service, and there are no plans to dispose of or alter any properties that are 50 or more years old.

Caption Summary

A caption summary in the form prescribed by 49 C.F.R. 1150.34 is attached as Exhibit C.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James E. Howard", is written over a horizontal line.

James E. Howard
One Thompson Square
Suite 201
Charlestown, MA 02129

Attorney for Maine Department
of Transportation

Dated: April 27, 2007

VERIFICATION

State of Maine

ss:

County of Kennebec

Toni Kemmerle, being duly sworn, deposes and says that he is the
Acting Chief Counsel of the Department of Transportation of the State of Maine, that he
has read the foregoing Verified Notice of Exemption and knows the facts asserted therein
and that the facts are true as stated.

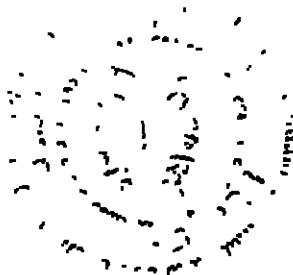
Toni Kemmerle

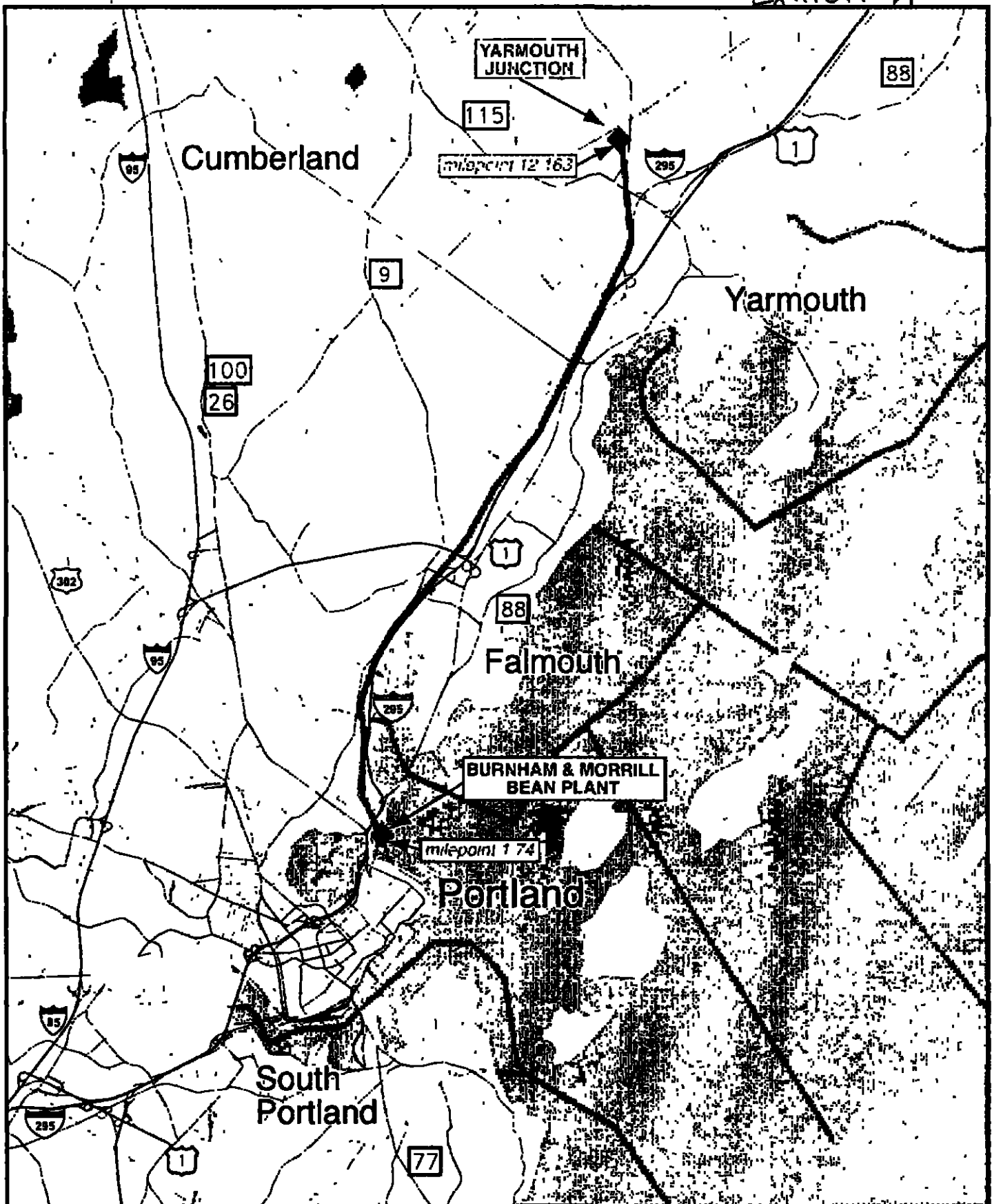
Subscribed and sworn to
before me this 8th day of
April, 2007

Theresa Pulver
Notary Public

Theresa Pulver
NOTARY PUBLIC
State of Maine

My Comm. Expires 9/23/08





Portland to Yarmouth Rail Corridor



Legend:
 - Rail line
 - Major roads
 - Water bodies
 - Other features

DISCLAIMER: The Maine Department of Transportation provides this publication for information only. Balance upon this information is at your risk. It is subject to revision and may be incomplete depending upon changing conditions. This map is not intended to support emergency response. The Department assumes no liability for damages or loss of information.

State of Maine
 Department of Transportation

Printed by the
 Office of the Secretary
 2/97

Exhibit B

Certificate

I, Toni Kemmerle, the Acting Chief Counsel of the Department of Transportation of the State of Maine ("Maine DOT"), hereby certify that MDOT will receive no freight revenues as a result of the transaction described in the foregoing Notice of Exemption and, therefore, that the projected revenues do not exceed \$5,000,000 annually and do not exceed an amount that would qualify Maine DOT as a Class III carrier.

Toni Kemmerle

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 35018

STATE OF MAINE--ACQUISITION EXEMPTION--LINE OF
ST. LAWRENCE & ATLANTIC RAILROAD COMPANY BETWEEN
DEERING, MAINE AND YARMOUTH JUNCTION, MAINE

The State of Maine, acting by and through its Department of Transportation ("Maine DOT"), has filed a notice of exemption to acquire the line of St. Lawrence & Atlantic Railroad Company between approximately milepost 1.74 at Deering, Maine and approximately milepost 12.163 south of the diamond crossing at Yarmouth Junction, Maine, a distance of approximately 11 miles (the "Line").

The representative of Maine DOT is James E. Howard, One Thompson Square, Suite 201, Charlestown, MA 02129, telephone 617-886-9322.

The notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.